

Message Text

CONFIDENTIAL

PAGE 01 LONDON 17551 01 OF 03 011926Z

44

ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 PRS-01 OMB-01 TRSE-00 EB-03 PM-03 DODE-00 SIL-01

/044 W

----- 051740

R 011913Z NOV 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7177

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY BRUSSELS

AMEMBASSY ROME

AMEMBASSY COPENHAGEN

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION NATO BRUSSELS

USDEL MTN GENEVA

C O N F I D E N T I A L SECTION 01 OF 03 LONDON 17551

LIMDIS

E. O. 11652: XGDS-1

TAGS: EEC, PFOR, EGEN, UK

SUBJECT: THE BRITISH PRESIDENCY--PREVIEW, PROSPECTS
AND PERSONALITIES

SUMMARY: BLEAK ECONOMIC CONDITIONS AND DOMESTIC
POLITICAL UNCERTAINTIES WILL CAST A SHADOW OVER THE
BRITISH PRESIDENCY. HMG HAS ADOPTED A LOW-KEY APPROACH
TO ITS PERIOD IN THE CHAIR, IS UNLIKELY TO LAUNCH ANY
MAJOR COMMUNITY INITIATIVES, AND WILL TRY TO MAKE ITS
MARK THROUGH SOLID WORK ON THE NINE'S AFFAIRS.
THE DETAIL OF COMMUNITY DISCUSSIONS WILL CHALLENGE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 17551 01 OF 03 011926Z

FOREIGN MINISTER CROSLAND, BUT THE REST OF THE BRITISH

TEAM FOR THE PRESIDENCY IS TOP FLIGHT. THE EXCELLENT STATE OF US/UK RELATIONS SHOULD PROVIDE A CONGENIAL BACKDROP TO US CONSULTATION WITH THE NINE DURING THE BRITISH PRESIDENCY. THE FOREIGN OFFICE HAS INDICATED ITS INTENTION TO SEEK THE WIDEST POSSIBLE EXCHANGE OF VIEWS BETWEEN THE NINE AND THE US IN ORDER TO AVOID MISUNDERSTANDING AND TO COORDINATE COMPLEMENTARY POLICIES. END SUMMARY.

1. IF TIMES WERE NOT SO BAD HERE, THE BRITISH PRIME MINISTER COULD BE EXCUSED FOR FEELING LIKE A POTENTATE DURING THE FIRST SIX MONTHS OF 1977. MAY AND JUNE IN LONDON WILL SEE THE QUEEN'S JUBILEE CELEBRATION, A GATHERING OF THE COMMONWEALTH HEADS OF GOVERNMENT AND A MEETING OF THE NATO FOREIGN MINISTERS. FURTHER, THE FIRST BRITISH PRESIDENCY OF THE COMMUNITY WILL BRING THE HEADS OF GOVERNMENT OF THE NINE TO BRITAIN FOR ONE GET TOGETHER AND CONTINENTAL FOREIGN AND FINANCE MINISTERS WILL BE COMING AND GOING AT NUMBER 10 AND WHITEHALL AS IF VICTORIA, AND NOT THE SECOND ELIZABETH, WAS ON THE BRITISH THRONE. IT ALL OUGHT TO BE GRAND, FOR LONDON AND FOR BRITAIN.

2. BUT TIMES ARE BAD. AND GETTING WORSE. ECONOMIC PROJECTIONS THROUGH THE END OF 1977 SUGGEST ONE AND A HALF MILLION UNEMPLOYED, 13-14 PERCENT INFLATION, AN INSUFFICIENT IMPROVEMENT IN MANUFACTURING INVESTMENT, AND A THREE TO FOUR PERCENT DROP IN THE REAL DISPOSABLE INCOME OF THE BRITISH PEOPLE. THESE FORECASTED FIGURES, IF ACCURATE, WILL THREATEN THE PRESENT FRAGILE SOCIAL CONTRACT BETWEEN THE LABOR UNIONS AND THE CALLAGHAN GOVERNMENT AND, AT A MINIMUM, WILL PRODUCE AN INTERNAL POLITICAL ENVIRONMENT HERE OF CONSIDERABLE UNCERTAINTY. ADD TO THESE BLEAK ECONOMIC INDICATORS THE FUNDAMENTAL AND DEVISIVE CONSTITUTIONAL ISSUE OF DEVOLUTION WHICH WILL COME TO A HEAD AT WESTMINSTER DURING THE SPRING OF NEXT YEAR, THE CONTINUING INSURGENCY IN NORTHERN IRELAND AND EVEN THE POSSIBILITY OF A GENERAL ELECTION, AND IT IS EASY TO UNDERSTAND WHY THE LABOR GOVERNMENT, EVEN WITH THE VISITS OF ALL THOSE POOBABS, IS NOT

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 17551 01 OF 03 011926Z

LOOKING FORWARD WITH UNRESTRAINED ANTICIPATION TO 1977.

3. THESE SOMBER AND DEEPENING NATIONAL SHADOWS PARTIALLY EXPLAIN WHY HMG HAS ADOPTED AN APPROACH TO ITS PRESIDENCY THAT IS SO DOWNBEAT AS TO BE ALMOST OFF THE KEYBOARD. BUT THERE ARE OTHER REASONS WHY THE BRITISH ARE SO CAUTIOUS. ROY JENKINS WILL BE TOO NEW IN BRUSSELS TO PROVIDE MUCH OF A PUSH AND BESIDES, HE

WILL WANT TO KEEP HIS DISTANCE FROM THE LABOR GOVERNMENT.
ECONOMIC CONDITIONS WITHIN THE NINE ARE NOT LIKELY TO
PROVIDE A CONGENIAL CLIMATE FOR POLITICAL COMPROMISE.
THE LABOR PARTY REMAINS UNENTHUSIASTIC ABOUT THE EC.
BECAUSE OF PRESSURES ON WESTMINSTER'S PARLIAMENTARY
CALENDAR, ENABLING LEGISLATION FOR DIRECT ELECTIONS
HAS NO BETTER THAN A 50-50 CHANCE OF GETTING THROUGH
PARLIAMENT NEXT SPRING. MOREOVER, GIVEN THE OFTEN
GLACIAL PACE OF COMMUNITY NEGOTIATIONS, HMG ALSO
CONCLUDES THAT SIX MONTHS IS A BRIEF INTERLUDE FOR ANY
EC PRESIDENT TO FIND THE END OF ANY COMMUNITY RAINBOW.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LONDON 17551 02 OF 03 011931Z

44

ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 PRS-01 OMB-01 TRSE-00 EB-03 PM-03 DODE-00 SIL-01

/044 W

----- 051764

R 011913Z NOV 76
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 7178
INFO AMEMBASSY BONN
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY BRUSSELS
AMEMBASSY ROME
AMEMBASSY COPENHAGEN
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USMISSION NATO BRUSSELS
USDEL MTN GENEVA

C O N F I D E N T I A L SECTION 02 OF 03 LONDON 17551
LIMDIS

INFLATED EXPECTATIONS LEAD TO UNNECESSARY DISAPPOINTMENT. THUS, MAJOR PRE-PLANNED COMMUNITY INITIATIVES ARE DISMISSED BY PRAGMATIC WHITEHALL. THE DANES ENCOUNTERED THE YOM KIPPUR WAR AND A GENERAL ELECTION DURING THEIR 1973 PRESIDENCY. HMG SHUDDERS TO IMAGINE WHAT UNFORESEEN DISASTERS MIGHT AWAIT BRITAIN AND THE COMMUNITY NEXT YEAR. BUT THE BRITISH SAY THEY WON'T PLAN FOR THEM BECAUSE THEY CAN'T.

4. SO THERE WILL BE NO STAR IN THE EAST DURING THE BRITISH PRESIDENCY. INSTEAD, THE FOREIGN OFFICE IS DETERMINED TO OVERCOME SKEPTICISM OF THE UK'S EUROPEAN CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 17551 02 OF 03 011931Z

CREDENTIALS BY ITS CONTINENTAL PARTNERS THROUGH SOLID, HARD AND UNGLAMOROUS WORK ON THE COMMUNITY'S AFFAIRS. THERE WILL BE LITTLE FLAIR, LESS STYLE, NO ADVENTURE. IN OTHER WORDS, NO GARRET FITZGERALD. BUT ALL THE SAME THE BRITISH BELIEVE THEY CAN MAKE A REAL CONTRIBUTION TO EC DEVELOPMENT BY STEERING THE SHIP STRAIGHT, BY KEEPING THE PAPER MOVING QUICKLY, SMOOTHLY, AND EFFICIENTLY, BY, AS THEY SAY, NOT COCKING THINGS UP. THEY ALSO TALK, PERHAPS SHOWING INNOCENT SIGN OF THE NEW BOY, OF PUSHING AGAIN THE COMMUNITY'S DECISION-MAKING THRESHOLD BENEATH THE MINISTERIAL LEVEL. IT IS SAID THAT FOREIGN MINISTER CROSLAND SPECIFICALLY SEES COREPER AS A MEANS TO LIGHTEN THE BURDEN ON THE COUNCIL, AND HIMSELF. THE BRITISH CRITICIZE GASTON THORN FOR THE DISORGANIZED WAY HE RAN COUNCIL SESSIONS IN THE LATER PART OF LUXEMBOURG'S PRESIDENCY AND THINK THE UK CAN DO MUCH, MUCH BETTER.

5. PLENTY OF ISSUES WILL GIVE THEM THE CHANCE. WITHIN THE FRAMEWORK OF POLITICAL COOPERATION, THE BRITISH FLAG CYPRUS, SOUTHERN AFRICA AND THE CSCE REVIEW CONFERENCE AS SUBJECTS FOR INTENSIFIED AND PRODUCTIVE INTEGRATED ACTION BY THE NINE. ON PURELY COMMUNITY BUSINESS, THE AGENDA OF WORK IS BOTH LENGTHY AND CHALLENGING: THE ANNUAL CAP PRICE REVIEW; THE COMPLEX OF FISHERIES ISSUES; GREEK ACCESSION; THE EC-IRAN AGREEMENT; RELATIONS WITH CEMA; SPADE WORK FOR THE REGIONAL AND SOCIAL FUND REVIEWS DUE AT THE END OF 1977; COMMON ENERGY POLICY; AND EFFORTS TO DEVELOP A MORE HARMONIOUS COMMUNITY VOICE ON LDC PROBLEMS SUCH AS THE COMMON FUND AND OTHER POST-UNCTAD QUESTIONS. PERHAPS MORE PICKLES THAN PEACHES TO BE PICKED THERE.

6. BRITISH PERCEPTIONS ABOUT THE CHAIRMAN'S ROLE ARE ORDINARY. THERE IS AN APPRECIATION THAT A COUNTRY

SHOULD NOT SEEK TO FURTHER NATIONAL AIMS WHILE IN THE CHAIR. THAT WOULD BE BAD FORM, AND WORSE, WOULDN'T WORK. WHITEHALL HAS ALSO CONCLUDED THAT BEING IN THE CHAIR MAKES IT MORE, NOT LESS, DIFFICULT TO REALIZE SPECIFIC UK AIMS. THAT CONCLUSION IS WORRYING PEOPLE HERE. A MAJOR ISSUE CONFRONTING THE BRITISH WITHIN
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 17551 02 OF 03 011931Z

THE COMMUNITY CONTEXT NEXT YEAR WILL BE HOW TO UNTANGLE THE COMMON FISHERIES POLICY KNOT. MOVEMENT ON THIS ISSUE IS A DOMESTIC POLITICAL NECESSITY, NOT LEAST BECAUSE FOREIGN MINISTER CROSLAND'S CONSTITUENCY INCLUDES THE FISHING PORT OF GRIMSBY. GRIMSBY NEEDS FISH AND CROSLAND NEEDS GRIMSBY. THE BRITISH HAVE NOT YET DECIDED HOW THEY WILL PROCEED ON THIS MATTER WITH CROSLAND IN THE CHAIR AND A LESSER FOREIGN OFFICE MINISTER REPRESENTING UK INTERESTS. BUT A COMPROMISE THAT CAN BE SOLD BACK HOME STANDS ALONE AND UNCHALLENGED AT THE TOP OF CROSLAND'S OBJECTIVES FOR NEXT SPRING. IT IS UNLIKELY HE WILL SETTLE FOR LESS.

7. THIS BRINGS US DIRECTLY TO THE FOREIGN SECRETARY. THROUGHOUT HIS PUBLIC LIFE, TONY CROSLAND HAS NEVER SHOWN MUCH INTEREST IN FOREIGN POLICY. HE WAS LATTERLY AGNOSTIC ON THE QUESTION OF BRITAIN'S COMMITMENT TO EUROPE AND KNOWS LITTLE ABOUT EC MACHINERY. AND DESPITE HIS CONSIDERABLE INTELLECTUAL REPUTATION, HE HAS NOT YET REALLY TAKEN HOLD AT THE FOREIGN OFFICE. PUT MOST GENEROUSLY, HE LIKES TO COPE WITH ONE ISSUE AT A TIME AND SEE IT THROUGH TO SOLUTION. SOME IN THE FCO ALSO SAY THAT DETAILS BORE HIM, THAT HE HAS LOST A GOOD DEAL OF HIS INTELLECTUAL CURIOSITY, THAT HIS NIGHTS TEND TO ENGAGE HIM MORE THAN HIS DAYS. THIS WILL HAVE TO CHANGE IF HE IS TO BE A SUCCESSFUL CHAIRMAN, MASTER OF DOZENS OF ISSUES, EIGHT OTHER NATIONAL POSITIONS, AND BRIEFING BOOK UPON BRIEFING BOOK OF ARCAINE DETAIL. WE KNOW HIS STAFF WILL BE PUSHING CROSLAND. WE SHALL SEE IF HE WILL MOVE. HE IS STUDYING FRENCH.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LONDON 17551 03 OF 03 011941Z

44

ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 PRS-01 OMB-01 TRSE-00 EB-03 PM-03 DODE-00 SIL-01

/044 W

----- 051841

R 011913Z NOV 76
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 7179
INFO AMEMBASSY BONN
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY BRUSSELS
AMEMBASSY ROME
AMEMBASSY COPENHAGEN
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USMISSION NATO BRUSSELS
USDEL MTN GENEVA

C O N F I D E N T I A L SECTION 03 OF 03 LONDON 17551
LIMDIS

8. THE REST OF THE FOREIGN OFFICE COMMUNITY CAST IS IMPRESSIVE. DR. DAVID OWEN (AGE 38) REPLACED ROY HATTERSLEY AND IS THE MINISTER OF STATE. OWEN IS VERY SMART. THE PERMANENT UNDERSECRETARY IS THE GIFTED SIR MICHAEL PALLISER, FORMER BRITISH AMBASSADOR TO THE EC. HE WILL BE ALERT FOR FALSE STEPS BY THE POLITICIANS, BUT HE MAY NOT BE ABLE TO PREVENT THEM. THE RESPONSIBLE DEPUTY UNDERSECRETARY IS REG HIBBERT, WHOSE BRISK MANNER HAS ALREADY RUFFLED SOME CONTINENTAL FEATHERS. SOME IN THE FOREIGN OFFICE BELIEVE THAT HIBBERT ESSENTIALLY VIEWS THE BRITISH PRESIDENCY AS A DAMAGE LIMITING OPERATION, NOTHING TO BE GAINED, POTENTIAL CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 17551 03 OF 03 011941Z

LOSSES AT EVERY STEP. THERE IS NO DOUBT HE EXERTS A CAUTIOUS INFLUENCE. BUT HE IS ABLE. FINALLY, THE RESPONSIBLE ASSISTANT UNDERSECRETARY IS THE TACITURN JOHN FRETWELL WHO /HAS MOVED UP FROM BEING HEAD OF THE

FCO'S EUROPEAN INTEGRATION (INTERNAL) DEPARTMENT.

9. THE FCO FOCAL POINT OF DAY-TO-DAY ACTIVITY WILL BE A SPECIAL PRESIDENCY UNIT, MANNED BY SIX OFFICERS, THAT WAS RECENTLY ESTABLISHED TO COORDINATE BRITAIN'S MANAGEMENT OF COMMUNITY AFFAIRS FROM JANUARY TO JUNE OF NEXT YEAR. THIS UNIT IS HEADED BY JOHN WESTON, FORMERLY A PRIVATE SECRETARY TO CALLAGHAN AND CROSLAND, AND A 39 YEAR OLD HIGH FLYER. HIS DEPUTY IS PAULINE NEVILLE-JONES, AN INCISIVE FOREIGN SERVICE OFFICER WITH EXTENSIVE EUROPEAN EXPERIENCE. IT SHOULD BE CLEAR FROM THIS LINEUP THAT THE FOREIGN OFFICE HAS PUT SOME OF ITS BEST BRAINS TO WORK ON THE PRESIDENCY. THAT SHOULD MAKE SOME DIFFERENCE, TO THE COMMUNITY AND TO THE U.S.

10. THE EXCELLENT STATE OF US-UK RELATIONS SHOULD PROVIDE A MOST CONGENIAL BACKDROP TO U.S. CONSULTATION WITH THE NINE DURING THE BRITISH PRESIDENCY. AND, ALTHOUGH THE FOREIGN OFFICE IS NOT WITHOUT ITS EUROFANATICS, THE PERSONALITIES WHO WILL BE BRIEFING THE EMBASSY HAVE ALREADY INDICATED THEIR INTENTION TO SEEK THE WIDEST POSSIBLE EXCHANGE OF VIEWS BETWEEN THE NINE AND THE U.S. IN ORDER TO AVOID MISUNDERSTANDING AND TO COORDINATE COMPLEMENTARY POLICIES. THE BRITISH HAVE PROMISED US EC AGENDAS AT THE SAME TIME THEY GO TO THEIR COMMUNITY PARTNERS, TEN DAYS IN ADVANCE OF THE MEETING. WE HOPE THE DEPARTMENT CAN THEN RESPOND QUICKLY. IN UK VIEW, AND IN OURS, THERE IS LITTLE TO BE GAINED FROM A PER-FUNCTIONARY EXCHANGE THE NIGHT BEFORE MEETINGS. WE HAVE BEEN ASKED TO PROVIDE THE FOREIGN OFFICE U.S. VIEWS AT AN ABSOLUTE MINIMUM THREE OR FOUR DAYS IN ADVANCE OF EC GATHERINGS. THIS WILL ALLOW A MORE THOROUGH DIGESTION OF U.S. POLICY WITHIN THE COMMUNITY AND INCREASE THE LIKELIHOOD THAT WE WILL KEEP U. S. LINES TO THE NINE FREE FROM TANGLE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 17551 03 OF 03 011941Z

11. SO THE BRITISH APPROACH THE CHAIR. CABINET-LEVEL WORK HAS ALREADY BEGUN FOR JANUARY. A RECENT MEETING OF MINISTERS EXAMINED PROSPECTS FOR THE UK PRESIDENCY. THE CABINET OFFICE COORDINATED A GOVERNMENT-WIDE ANALYTICAL STUDY OF THE SAME SUBJECT. A COUPLE OF WEEKS AGO, CROSLAND RECALLED UK AMBASSADORS TO EC COUNTRIES TO GET THEIR REFLECTIONS ON HOW THE UK PRESIDENCY SHOULD PROCEED. OUR GUESS IS THAT UNLESS DOMESTIC TURBULENCE INTERVENES, THE BRITISH PROCESSION WILL BE SLOW, WITHOUT POMP AND MANAGED WITH CONSIDERABLE ENERGY AND INTELLIGENCE. IT WILL ALSO BE UNDERSTATED

AND MODEST. AND IT IS UNLIKELY THAT ANY MEMBER OF THE
BRITISH PROCESSION WILL BE CARRYING BLUEPRINTS OR
MEGAPHONES.

ARMSTRONG

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, ECONOMIC CONDITIONS, RELATIONS WITH REGIONAL ORGS, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 NOV 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON17551
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Film Number: D760407-0221
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761194/aaaaddnf.tel
Line Count: 390
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 05 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 APR 2004 by KelleyW0>; APPROVED <10 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THE BRITISH PRESIDENCY--PREVIEW, PROSPECTS AND PERSONALITIES SUMMARY: BLEAK ECONOMIC CONDITIONS AND DOMESTIC
TAGS: PFOR, EGEN, UK, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006